

PROTEST AGAINST PROMOTION BCL activists confine Sust VC, staff for 3 hours

STAFF CORRESPONDENT,
Sylhet

A group of Bangladesh Chhatra League (BCL) activists yesterday locked the registrar building's gate at Shahjalal University of Science and Technology (Sust) for three hours, with the vice-chancellor and many other staff inside.

At 10:00am, they locked the gate to protest against "the authorities' decision to promote Syed Habibur Rahman, superintending engineer of Sust, to the position of chief engineer".

The protesters later staged a sit-in before the registrar building and held a rally there. Sust BCL Convener Shamsuzzaman Chowdhury was in the chair.

Students' welfare affairs adviser Professor Anwarul Islam and others on the proctorial body asked them to call off their agitation around midday as the authorities had postponed a meeting about Habibur Rahman's promotion.

Around 1:00pm, they unlocked the gate after the authorities cancelled the meeting -- scheduled for yesterday -- about the recruitment and promotion of the university staff, said Sust Registrar Ishfaqul Hossain.

The BCL men told reporters they met VC Saleh Uddin on Tuesday and urged him to cancel the decision about Habibur's promotion, but to no avail.

Instead, the VC told them BCL was not supposed to get involved in the university's administration. He warned them against any wrongdoing.

Habibur was a close aide to the former vice-chancellor Professor Mosleh Uddin, who had served during the last BNP-led government, the activists said.

He was a member of the pro-BNP-Jamaat faction of Sust officers' association, but he joined an Awami League-backed faction a few years back, said campus sources.

Finance boss

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crore swindled was a petty amount.

They also requested the finance minister to refrain from making such comments.

Taking the floor on a point of order in the House, the lawmakers also demanded immediate arrest of the persons involved in the loan scam and punitive action against them.

"How could he say there was nothing to make a hue and cry about the swindling of Tk 4,000 crore. This amount might not be considered enormous by him. But it is a huge amount of money for the people, and they were hurt by the remark," AL lawmaker Sheikh Fazlul Karim Selim said.

The government must take proper action even if one taka is embezzled, he said.

He demanded the immediate arrest of Tanvir Mahmud, managing director of Hall-Mark, and others involved in the scam. He said they should be placed on remand to ascertain whether they had kept the money in the country or siphoned it off abroad.

"Otherwise, the government will be held responsible for the scam as some officials of the finance ministry, Bangladesh Bank and Sonali Bank are involved in the scam," Selim observed.

He demanded that the

government take immediate action against the nexus without sending the matter to the Anti-Corruption Commission.

Extending his support to Selim, AL lawmaker Tofail Ahmed held responsible the political appointment of the board of directors of different state-run banks.

"Such incidents will happen if the people, who do not have any banking experience, are appointed as members of the board of directors," he added.

Criticising the finance minister for blasting the media over their extensive reports on the scam, Tofail said blaming the media would not yield any results.

"Media do their own jobs," he said, adding, "Now we will have to investigate the matter and take exemplary action against the culprits."

Without citing any name, Tofail said during the investigation, a Sonali Bank manager had revealed the name of an adviser to the prime minister and others.

"The manager alone is not involved in it. Arrest the manager, and interrogate him to get the name of others," he said.

Many ruling alliance MPs were seen supporting Tofail and Selim by thumping their desks.

The finance minister was not present in the House during the discussion.

Inept admin

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different institutions to strengthen democracy, increase efficiency in public administration and prepare a strong strategy to curb corruption.

"Good governance and real democracy are required to properly implement development plans and establish a balanced society free from discrimination," she told lawmakers during the prime minister's question-answer session.

In a lighter vein, Hasina said she has asked the power officials to employ load shedding for an hour each morning and evening so that people do not forget about blackouts. "This will help reduce their electricity bill."

The people are not careful about using electricity efficiently, added the premier.

The leader of the House dwelt on her government's success in generating power to meet the country's growing demand.

She blasted the past BNP and caretaker governments for what she said was their failure to generate a single megawatt of power.

measures taken by her government to achieve good governance and real democracy.

The measures include protecting democracy by holding free, fair and competitive local polls through a strong and independent Election Commission, introduction of citizens' charters in different ministries and departments to increase their accountability and enhancing the capacities of local government bodies.

On the implementation of the five-year plan, she said, her government was also giving emphasis on strengthening the House, the EC and local government system, reforming the judicial system and utility service providers, curbing graft, improving e-governance and protecting human rights.

The prime minister portrayed a rosy picture of the country's present economic situation, improvements in the flow of remittance, law and order, employment, manpower export, women empowerment, poverty alleviation and development of human resources.

Destiny

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with two guarantors.

During the hearing, Special Public Prosecutor Mosharrar Hossain Kajol told the court that a magistrate has no jurisdiction to hear any petition.

"The magistrate has violated the provisions of Money Laundering Prevention Act, 2009 by granting the accused bail in the cases," Kajol claimed while talking to The Daily Star following the court's order.

"Only judge of a special judge's court can hear any petition submitted by both the prosecution and the defence. A metropolitan magistrate is not a special judge," he headed.

Kajol also said they would file petitions with a special judge's court challenging the legality of the bail order passed yesterday.

Meanwhile, Kazi Najib Ullah Hiru, the defence counsel, said that the court should have no bar to granting bail to the 16 accused as another Dhaka court had earlier granted bail to five high-ups of the same company.

Two more petitions were filed earlier with Senior Special Judge's Court of Dhaka challenging the legality of the bail order by a lower court that had granted bail to five high officials of Destiny Group.

On July 31, the ACC sued 22 officials of Destiny Group for laundering Tk 3,285.26 crore by swindling investors.

District admins

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Sharif Jamil, joint secretary of Bangladesh Poribesh Andolon, said, "Many pillars are seen in the middle of the rivers. It seems the government is legitimising river encroachers."

In response, Mahbubul Islam, Narayanganj additional deputy commissioner, said a change in water flow over the decades could be one of the reasons behind that.

Addressing the function, B I W T A C h a i r m a n Shamsudduha Khandaker said they had identified as many as 138 channels through which waste was being dumped into the four rivers.

"We hope to seal off the channels by next 10 to 12 months to protect the rivers," he said.

Superintending Engineer Shahid Uddin of Dhaka Water Supply and Sewerage Authority said they were thinking about installing five sewage treatment plants in Dhaka city with the assistance of the World Bank to treat human waste.

Dhaka Wasa also has a plan to introduce compact treatment plants at the meeting points of canals and rivers so that water of these canals gets treated before entering the rivers, he added.

India, Pakistan to ink three business pacts

THE HINDU ONLINE

Hoping that the forthcoming visit of External Affairs Minister SM Krishna would lead to a liberal visa regime agreement, Commerce and Industry Minister, Anand Sharma, on Tuesday, said India and Pakistan would soon ink three agreements in the areas of customs co-operation, mutual recognition of standards and redressal of trade issues to give a fillip to economic activity.

Addressing a Pakistani Parliamentary delegation at FICCI's first India-Pakistan Parliamentary Dialogue, Sharma said India was ready to grant multi-entry and multi-city visas to businessmen from Pakistan. "I am only hoping that the agreement is signed soon. Krishna is visiting Pakistan this week-end, and, hopefully, something will happen," he remarked.

Sharma said there was a need to also open up more land routes to allow more people-to-people exchange and smooth entry and exit of business community from both nations. "The agreements will be signed soon. It is a matter of weeks, maximum," he added.

A terribly wrong signal

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the only way we can try to put in some sober thinking, some prudence into the heads of the policymakers. When you are blinded by political exigency, all such words may sound bitter. Still we try.

The moment Mr Muhith underrated the grossness of the Sonali Bank scam in which about Tk 4,000 crore was siphoned off and berated the media for making a 'hue and cry' about the scam, he actually showed how tolerant his ministry and his government was to corruption and corrupt people.

His understanding that the Tk 4,000 crore scam is not a crisis shows how remotely removed he is from reality.

The amount of the money by itself is important. More important is the fact that it was swindled out of the state-owned bank of which the people are the owners and depositors. Whose Tk 4,000 crore the finance minister thinks is a small amount? It is the depositors' and the people's. It is his legal and moral duty to safeguard every taka of it. The finance minister cannot say something which will condone fraudulence. And yet he has.

Let's have a look at Sonali Bank. It has a total loan portfolio of Tk 32,000 crore of which Tk 7,000 crore or 21 percent is classified (meaning these loans are not being

repaid and may not be recovered in the foreseeable future).

Now add this Tk 4,000 crore that has been swindled out of Sonali. That makes the amount of risky/classified loan amount to 31 percent.

When one third of the loans of a bank goes awry, what chance does the bank have of surviving? If a 32 percent figure is nothing to worry about, then perhaps we have to learn about banking anew.

Today what we find is that the four state-owned banks, including Sonali, are all in dire straits. Once upon a time they had inherent strengths.

Take Sonali. It is a brand name. People trust it and place their deposits in it. Small depositors have built its vault and these depositors are not the kind that will flock to other banks in a flicker. This means Sonali's deposit base is solid. It has an extensive network of branches and a huge retail banking power.

Instead of utilising such strengths, the government (or rather subsequent governments) has repeatedly weakened the state-owned banks.

But there was once a genuine effort to strengthen the banks. If we recall, during the last caretaker government, the then finance adviser Mirza Azizul Islam had taken an initiative to strengthen the state-owned

banks by corporatising them. He wanted the banks to be truly commercial and run on commercial principles.

So the boards were reconstructed and staffed with people with good reputation. The boards were empowered and the finance ministry took its hands completely off the state-owned banks.

The result was visible. The asset quality of the banks improved along with all key indicators. For the first time, the CAMEL rating (a measure of a bank's capital, asset, management, earning and liquidity) improved to 3 from as low as 5. And this all happened within a span of less than two years.

Then came this government and the rot of the state-owned banks began again. The boards were reconstituted mainly with people with political links, some of them with debatable backgrounds.

The boards started reducing the financial discipline of the banks and started giving loans to parties of their own choice. Appointments and promotions became a matter of 'Tadbir' (lobbying).

The state-owned banks suddenly saw an excessive growth in credit. From being the net lenders in the money market, they became net borrowers within a short span. Their classified loans increased.

The cash crisis of these banks has peaked and Sonali's borrowing from the inter-bank market stood at Tk 3,028 crore every day. It has also shelved its plan to finance Biman to buy two aircraft because of a liquidity crisis.

As a result of the state-owned banks being kept under the finance ministry (because that way it is easier to politically use the banks), the Bangladesh Bank governor informed his board about the decadence of the state-owned banks.

The board advised the governor to write to the finance ministry about the situation, which he did on January 4, 2011. The governor described how the boards were interfering in the affairs of the bank which they should not.

What happened next was quite bizarre. The finance minister, instead of taking action on the letter, called a meeting of the board members of the state-owned banks and the governor at a state guesthouse.

The board members got the upper hand and castigated the central bank. The central bank cowered before the political salvos. A wrong message was sent to everyone.

The central bank was demoralised while all these scams went on. Now that the truth has come out, the central bank is being blamed.

Shahidul next foreign secy

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foreign secretary.

Official sources said Md Shahidul Haque, who joined the International Organisation for Migration (IOM) on lien in 2001, has returned from Geneva and joined the foreign ministry on Tuesday.

Although Shahidul is currently one of the senior most officials in the foreign service cadre, he initially joined the ministry as its director general, which is equivalent to the rank and status of a joint secretary.

Shahidul, an officer of 1986 batch of BCS (Foreign Affairs) cadre, would be given two-stage promotions so that he becomes eligible to hold the post of foreign secretary within

next couple of months, officials said.

As per the government rule, any official on lien or foreign posting would be eligible for promotion after his/her return home and joining the service.

Following hectic lobbying at the foreign ministry, the government found Shahidul suitable for the post, and thus ordered him to leave the UN job and come back to his original service.

Shahidul, a student of Sociology Department of Dhaka University, acted accordingly and joined the foreign ministry to hold the chief administrative post.

After joining the foreign service, Shahidul did his MA in International

Relations from Fletcher School of Law and Diplomacy.

Meanwhile, a highly placed source at the foreign ministry said that appointment of Shahidul as foreign secretary may be delayed for two to three months as the incumbent Foreign Secretary Mijarul Quayes has requested the government to continue in office till December.

By this time, Quayes wants to attend some important international events, including US-Bangladesh foreign secretary level meeting in Washington on September 19-20 and the 67th UN Session in New York at end of this month.

Earlier, the government

took the decision to change the incumbent foreign secretary as he had already completed his three-year tenure of service in the position.

But the process was delayed as Quayes had recently suffered serious illness and went abroad for long term treatment.

Subsequently, the government had decided to appoint Quayes as the next Bangladesh high commissioner in London.

Official sources said the government has decided not to extend the contract of M Sayeedur Rahman Khan, the incumbent high commissioner in London, and he is expected to return home at the end of this month or next month.

Sonali feeling the pinch

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Currently, the bank faces an average deficit of Tk 746 crore daily to meet the cash reserve requirements (CRR) of Bangladesh Bank.

Similarly, its daily borrowing from the inter-bank market is Tk 3,028 crore, said the bank in the letter to Banking Division Secretary Md Shafiqur Rahman Patwary.

Asked, Patwary confirmed receiving the letter from Sonali Bank.

"The present financial condition of the bank is not suitable to disburse the already approved loans.

Under this scenario, it is not possible to shoulder other banks' liability," said the letter, citing a decision of the Sonali Bank Board to suspend the financing plan for now.

The facility agreement for the financing has yet to be signed in line with the rules of syndicated lending, said Sonali Bank in the letter sent on August 30.

Sonali, the largest state-owned bank, freezes the financing decision at a time when it is enmeshed in more than Tk 3,500 crore loan scandals. A textile company, Hall-Mark Group, and five

other companies in connivance with bank officials embezzled the funds from the bank.

The bank board decided to suspend the approval after taking part in the \$80 million loan syndication for Biman on July 30.

The fund, which Standard Chartered Bank (SCB) raises as leading arranger, will be used to adjust part of a previous lending to Biman made by a group of banks to facilitate the carrier make pre-delivery payment (PDP) to Boeing for two 777-300ER aircraft.

Boeing has already deliv-

ered these two planes to Biman.

Later, the SCB as lead arranger approached Sonali about taking part in acquiring \$80 million of the \$114 million PDP loans of Biman.

On April 25, the Sonali Bank Board approved the proposal on condition that the bank would have to take permission from the central bank before acquiring part of the loan.

The state-owned bank said it would inform the SCB about its inability to take part in the financing scheme.

Earlier on Sunday, Tanvir Mahmud, managing director of the Group, and his wife Jasmine Islam, also chairman of the company, were quizzed by the commission.

Asked why Hall-Mark has been involved in land grabbing, Tusher Ahmed said, "We sand-filled the land we purchased, it was not grabbing."

"Why are you [the media] after the loan only? We export goods worth millions of dollars and earn foreign currency for the country. Why don't you write that?" Tusher said.

On May 25, a Dhaka court ordered arrest of the Hall-Mark Group MD after the environment department fined the company Tk 40 lakh over land grabbing.

Fire kills

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factory, police and fire officials said.

They said the entire production had been stored in a godown against official advice.

Fire officials said that due to a variety of chemicals used in pyrotechnics crackers, there was thick and suffocating smoke, making their task difficult to enter the factory. The smoke could be seen 1.5 km away from the spot.

A factory official said 300 persons were at work at an unit at the time of the incident.

In October 2009, 32 people, most of them Deepavali festival shoppers, were killed at a cracker godown fire in Pallipattu in Tiruvallur district of Tamil Nadu.

Constitution

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"I will request the Speaker and others concerned to think over the matter [crisis]. Opinions from different organs of the state, and from legal experts may be solicited to settle the crisis within the purview of law without further debate," said Dr Kamal.

The crisis surfaced again as a number of ruling alliance lawmakers on Tuesday accused in parliament two HC judges of violating the constitution and demanded that they be removed for delivering a controversial judgment on the Speaker's June 18 ruling. And they demanded amending the constitution for restoring parliament's authority to impeach apex court judges.

The two HC judges -- Justice Hasan Foez Siddique and Justice ABM Altaf Hossain -- in a verdict recently said the Speaker's ruling had no legal effect and was baseless in the eye of the law.

On June 18, Speaker Abdul Hamid ruled that Justice AHM Shamsuddin Choudhury Manik had violated the constitution by making "derogatory remarks" about the Jatiya Sangsad and the Speaker.

Dr Kamal said the issue of impeachment of a judge was raised about three months ago, but no step was taken in this regard then.

Constitutional rule is very much desired, he said, "As we have achieved it with a lot of sacrifice. We, the lawyers, have suffered in jail to protect the dignity of the constitution."

Meanwhile, Awami League lawmaker and minister without portfolio Suranjit Sengupta said at a programme yesterday the Supreme Court has to take steps so that further misunderstanding does not take place between the House and the judiciary.

Govt may

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Finance Minister AMA Muhith yesterday said this to newsmen at the secretariat.

"It's a matter now for all the donors [the WB, ADB, and Jica] to sit together and settle. I am hopeful that it will be settled," he added.

The WB in June cancelled its loan for the project citing concerns over corruption in the project.

Rizvi had been to Washington last month and held talks with the WB on its credit. The global lender set three specific conditions for revival of the loan.

As per the conditions, Syed Abul Hossain resigned as the ICT minister and the Anti-Corruption Commission (ACC) agreed to involve a WB expert team in its probe into the graft allegations.

The third condition still remains unmet as Mashiur Rahman, prime minister's economic affairs adviser, is yet to step down.

Asked about his criticism of the Integrity Unit of the WB, Muhith said, "It was my personal opinion about the Integrity Unit. I told the World Bank about it last year. I will probably bring a resolution on the issue at the World Bank in future."

The minister said his view on the Integrity Unit has nothing to do with the negotiations between the government and the Washington-based lender.

He also mentioned that the relationship with the WB is not getting worse.